

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT  
DIVISION OF HOUSING POLICY DEVELOPMENT**

1800 Third Street, Suite 430  
P. O. Box 952053  
Sacramento, CA 94252-2053  
(916) 323-3177 / FAX (916) 327-2643  
www.hcd.ca.gov



December 29, 2011

Mr. David Kiff, City Manager  
City of Newport Beach  
3300 Newport Boulevard  
Newport Beach, CA 92658

**RE: Review of the City of Newport Beach's Adopted Housing Element**

Dear Mr. Kiff:

Thank you for submitting Newport Beach's housing element adopted November 22, 2011 and received for review on November 30, 2011. The Department is required to review adopted housing elements and report the findings to the locality pursuant to Government Code Section 65585(h).

As you know, the Department's September 8, 2011 review found Newport Beach's revised draft housing element addressed the statutory requirements of housing element law. As the adopted element is substantially the same as the revised draft, we are pleased to find the element in full compliance with State housing element law (Article 10.6 of the Government Code).

Successful implementation of Program 3.2.2, to remove the 10-acre minimum site requirement and Program 3.2.3, to allow by-right development for multifamily housing affordable to lower-income households are critical to facilitate residential development within the John Wayne Airport Area (PC 11 and PC15). The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code Section 65400.

The Department acknowledges Newport Beach's commitment to encourage the development of a variety of housing types for lower-income households and workers through the implementation of Program 2.1.5 providing regulatory and financial incentives to meet the housing needs of extremely low-income households and Program 3.1.4 to facilitate the development of residential on mixed-use sites. Such strategies facilitate more compact development to address climate change, energy conservation and air quality objectives, maximize existing land resources, and promote the feasibility of developing housing for lower-income families and workers while strengthening the local economy.

The Department is pleased to report Newport Beach now meets specific requirements for several State funding programs designed to reward local governments for compliance with State housing element law. For example, the Housing Related Parks (HRP) Program, Local Housing Trust Fund and the Building Equity and Growth in Neighborhoods (BEGIN) programs include housing element compliance either as a threshold or competitive factor in rating and ranking applications. Details about these and other programs are available at this website at [http://www.hcd.ca.gov/hpd/hrc/plan/he/loan\\_grant\\_hcompl011708.pdf](http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hcompl011708.pdf).

Specifically, the HRP Program, authorized by Proposition 1C, is an innovative new program rewarding local governments for the approval of housing for lower-income households and provides grant funds to eligible local governments for every qualifying housing start, beginning calendar year 2010. Additional information on the HRP Program can be obtained from this website <http://www.hcd.ca.gov/hpd/hrpp/>.

The Department appreciates the assistance provided by Messrs. Jamie Murillo and Gregg Ramirez throughout the course of the review and looks forward to receiving Newport Beach's adopted housing element. Their dedication to the housing element update process was instrumental in creating a valuable tool to address the community's housing and community development objectives. We wish Newport Beach success in implementing its housing element and look forward to following its progress through the General Plan annual progress reports pursuant to Government Code Section 65400. If the Department can provide assistance in implementing the housing element, please contact Melinda Coy, of our staff, at (916) 445-5307.

Sincerely,



Glen A. Campora  
Assistant Deputy Director